

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**  
**EXECUTIVE OFFICE OF THE PRESIDENT**  
**WASHINGTON, D.C.**  
**20508**

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**For Immediate Release:**  
**March 16, 2004**

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**04-20**

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**Trade Advisory Groups Report on U.S.-Australia FTA**

WASHINGTON - The Office of the United States Trade Representative yesterday transmitted to the President and the Congress reports from 32 trade advisory committees, comprising more than 750 practitioners representing diverse interests and views, regarding the recently completed free trade agreement (FTA) with Australia. The Trade Act of 2002 requires these committees to prepare reports on proposed trade agreements for the Administration and Congress. Support for the agreement was widespread among nearly all the committees. One committee, comprising labor union representatives, urged Congress to reject the agreement.

"The trade advisory committee reports on the U.S.-Australia FTA demonstrate that this agreement will greatly expand an important market for America's goods and services, boosting growth and better paying jobs," said U.S. Trade Representative Robert B. Zoellick. "The reports show how the agreement will cut hidden import taxes and ensure a level playing field for American workers, especially manufacturing workers."

"The trade advisory system is a valuable part of our effort to consult with and receive guidance from the American public. It complements our close consultations with Congress. We rely on our advisors and draw on their expertise and judgment in developing negotiating positions that will be balanced and in the overall interests of the nation," added Zoellick.

Support for the agreement was widespread. The Advisory Committee for Trade Policy and Negotiations (ACTPN), which is appointed by the President and is the most senior committee, found that the U.S.-Australia FTA "is strongly in the economic interest of the United States." Describing the agreement as "outstanding" and urging that it "be adopted quickly," ACTPN described the agreement's rapid elimination of Australian tariffs on U.S. manufactured exports as "an unprecedented negotiating accomplishment."

Broad support was also expressed by the industry advisory committees, covering manufactured goods, services, intellectual property, electronic commerce, standards, and customs matters. These committees, representing the bulk of the U.S. economy and the vast majority of U.S. exports, applauded the rapid reduction of tariffs on manufactured goods, strong protections for intellectual property and digital products, transparency of technical standards, and significant advancements in market access for a wide variety of

U.S. financial, professional, entertainment, audiovisual, telecommunications and other services.

Most agricultural advisory committees supported the agreement and noted that it would provide immediate duty-free access for U.S. farm products in Australia. However, committee reports reflected a difference of opinion within the agricultural community on whether to include sugar in bilateral free trade agreements. Agricultural committees also emphasized the importance of continuing to press in the WTO for disciplines on Australia's agricultural export monopolies, and stressed the importance of ongoing U.S. efforts to address Australian sanitary and phytosanitary measures affecting U.S. farm goods.

A majority of the Trade and Environment Policy Advisory Committee (TEPAC), noting Australia's strong record with regard to environmental regulation, said the FTA provides adequate environmental safeguards. The committee emphasized that the environmental provisions of trade agreements must be tailored to the individual circumstances of each trading partner, noting that the scope and quality of environmental regulation varies widely among countries. A number of separate and additional views from TEPAC members addressed such issues as investment, intellectual property protection, environmental procedures in the FTA, and agricultural issues.

The committee of state and local government representatives (IGPAC) expressed support for the U.S.-Australia FTA, finding that "the agreement advances trade development in a manner generally beneficial to our national, regional and local economies." The committee also stressed the importance of ensuring that trade agreements continue to respect the authority of state and local governments to regulate in areas under their jurisdiction.

The Labor Advisory Committee (LAC) was the only group to specifically urge Congress to reject the agreement. It argued that Australia's labor laws are inadequate in a number of areas, and alleged that the Australian government unduly restricts the fundamental rights of workers. Similar views were expressed in a dissenting opinion from the ACTPN report, received from a labor union representative on that committee.

The full text of the advisory committee reports are available on the USTR website, [www.ustr.gov](http://www.ustr.gov).

## **Background**

The trade advisory committee system was established in the Trade Act of 1974. The purpose of the system is to ensure that the Administration receives advice and assistance from a broad range of stakeholders in setting U.S. trade policy and developing balanced U.S. positions in trade negotiations. The advisory program is run jointly by five federal agencies: USTR, the Department of Commerce, the Department of Agriculture, the Department of Labor, and the Environmental Protection Agency. USTR is the lead agency.

The advisory groups are made up of more than 750 cleared advisors from business, agriculture, labor, environmental groups, consumer groups, state and local governments, as well as academic experts and retired U.S. government officials.

There are 32 advisory committees which meet with U.S. trade officials to provide advice on proposed and on-going trade initiatives. In FY03, more than 150 advisory committee meetings were held. In addition, USTR and other agencies keep advisors informed by e-mail and the Internet of important developments in trade negotiations. More than 125 such communications were sent to advisors in FY03.

During the course of negotiations, advisors review confidential texts and are asked to provide advice and input. The text of the U.S.-Australia FTA was made available to the general public on March 3, 2004, less than a month after conclusion of negotiations. This follows last year's suggestion from advisors that texts be made publicly available as soon as possible upon conclusion of negotiations.

Other recent improvements in the advisory system include daily webcast briefings at trade ministerial meetings, more frequent briefings during the concluding phases of trade negotiations, a secure website for review of documents, and a complete re-structuring of the industry sectoral and functional advisory committees to reflect the changing makeup of the U.S. economy.

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